

Introduced by Senator Vincent

January 31, 2002

An act to amend Sections 19406 and 19617.5 of, and to add Section 19617.3 to, the Business and Professions Code, relating to horse racing.

LEGISLATIVE COUNSEL'S DIGEST

SB 1340, as introduced, Vincent. Horse racing.

Existing law defines "California-bred" horses based on the type of horse and whether the foal was conceived or born in this state.

This bill would provide that a "California-bred paint horse" is a registered paint horse foal conceived in California by a stallion standing in California at the time of conception, or by a registered paint horse stallion.

The Horse Racing Law provides that any association conducting a race meeting that includes quarter horse racing shall deposit specified percentages of the amount handled on that racing for distributions to the breeder fund, owner fund, stallion fund, and the official registering agency for the payment of breeder premiums, owners' awards, and stallion awards, as specified.

This bill would duplicate the deposit and distribution requirements of quarter horse racing awards for paint horse racing.

Existing law provides that any association conducting a fair racing meeting other than a harness meeting or conducting a mixed breed meeting shall deduct an additional 0.34 of 1% of the total amount handled in its daily conventional and exotic parimutuel pools for all races for payment of breeder and stallion awards, to be distributed following the close of the meeting according to specified statutory distribution requirements.

This bill would provide that with respect to paint horse races, the amounts deducted pursuant to these provisions shall be paid as breeder and owners' premiums, and stallion awards, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 19406 of the Business and Professions
2 Code is amended to read:

3 19406. (a) A "California-bred horse" is a foal dropped by a
4 mare in California after being conceived in California and
5 remaining in California until the foal is weaned.

6 (b) A "California-bred thoroughbred" is a horse dropped by a
7 mare in California after being conceived in California, or any
8 thoroughbred horse dropped by a mare in California if the mare
9 remains in California to be next bred to a thoroughbred stallion
10 standing in California. If the mare cannot be bred for two
11 successive breeding seasons but remains in California during that
12 period, her foal shall be considered to be a California-bred
13 thoroughbred.

14 (c) A "California-bred quarter horse" is a quarter horse foal
15 conceived in California by a stallion standing in California at the
16 time of conception.

17 (d) A "California-bred standardbred horse" is a standardbred
18 foal dropped by a mare in California after being conceived in
19 California and remaining in California until the foal is weaned, or
20 any standardbred foal which is conceived in California on or after
21 January 1, 1984.

22 (e) A "California-bred Appaloosa horse" is a horse dropped by
23 a mare in California after being conceived in California, or any
24 Appaloosa horse dropped by a mare in California if the mare
25 remains in California to be next bred to an Appaloosa stallion
26 standing in California. If the mare cannot be bred for two
27 successive breeding seasons but remains in California during that
28 period, her foal shall be considered to be a California-bred
29 Appaloosa horse.

30 (f) A "California-bred paint horse" is a registered paint horse
31 foal conceived in California by a stallion standing in California at
32 the time of the conception, or by a registered paint horse stallion.



SEC. 2. Section 19617.3 is added to the Business and Professions Code, to read:

19617.3. (a) The following definitions govern the construction of this section:

(1) “Breeder” means a person who is registered as the breeder of a California-bred paint horse with the official registering agency and is named on the applicable Certificate of Registration issued by the American Paint Horse Association.

(2) “Eligible earnings” means the following:

(A) In the case of breeder premiums, the annual amount earned by a California-bred paint horse for finishing first or second in qualifying races.

(B) In the case of owners’ awards, the annual amount earned by a California-bred paint horse for finishing first or second in qualifying races.

(C) In the case of stallion awards, the annual amount earned by California-conceived or California-bred foals of an eligible paint horse sire for finishing first or second in qualifying races.

(D) In order for earnings from a qualifying race to be considered as eligible earnings, a California-bred paint horse shall be registered as such with the official registering agency before the entries were taken by the association for the qualifying race in which that horse earned purse money.

(E) For purposes of this paragraph, the maximum purse considered earned in any qualifying race within this state is two hundred thousand dollars (\$200,000) for a win, and eighty thousand dollars (\$80,000) for a second place finish.

(F) In determining the purse earned in any qualifying race that is a stakes race, the amount earned shall be based on the added money and other sources of the purse, such as nomination, entry, or starting fees, bonuses, and sponsor contributions, or any combination thereof.

(G) On or before February 1, of any year, the stallion owner shall verify with the official registering agency the eligibility of a stallion to receive the stallion award to which the owner is entitled.

(3) “Eligible paint horse sire” means a paint horse, thoroughbred, or quarter horse sire of a registered paint horse foal, where the sire was continuously present in this state from February 1 to July 15, inclusive, of the calendar year in which the qualifying race was conducted, as well as from February 1 to July 15,

1 inclusive, of the following calendar year. If a sire dies in this state
2 and stood his last seasons at stud in this state, he shall thereafter
3 continue to be considered an eligible paint horse sire.
4 Notwithstanding any other provision of law, a paint horse stallion
5 shall be considered an eligible paint horse sire only if its owner has
6 verified the stallion's eligibility with the official registering
7 agency for stallion awards on or before February 1 of the calendar
8 year immediately following the calendar year for which the
9 awards are being distributed.

10 (4) "Official registering agency" means the Pacific Coast
11 Quarter Horse Racing Association.

12 (5) "Owner" means the person who is registered with the
13 paymaster of purses on the date the qualifying race was conducted
14 as the owner of the California-bred paint horse earning purse
15 money in that race.

16 (6) "Qualifying race" means all paint horse only races in this
17 state.

18 (7) "Stallion owner" means the person who is the owner of the
19 eligible paint horse sire as of December 31 of the calendar year in
20 which that sire's foals had eligible earnings or the person who
21 owned the eligible paint horse sire on the date that the sire died.

22 (b) Any association conducting a race meeting that includes
23 paint horse racing shall deposit with the official registering agency
24 0.2 of 1 percent of the total amount handled ontrack, and 0.4 of 1
25 percent of the total amount handled offtrack, in daily conventional
26 and exotic parimutuel pools and a sum equal to 25 percent of those
27 funds specified for purses in Sections 19612.1, 19612.2, 19614.2,
28 19616, and 19616.1 and the sums specified in Sections 19567 and
29 19617.5, resulting from paint horse racing. The deposits shall be
30 made at the following intervals:

31 (1) For any meeting of 20 racing days or less, the requisite
32 deposit shall be made not later than seven days immediately
33 following the last day of that meeting.

34 (2) For any meeting of more than 20 racing days, the initial
35 deposit shall be made not later than 27 racing days after the
36 commencement of that meeting and every 20 racing days
37 thereafter, with a final deposit made not later than seven days
38 following the last day of that meeting. The initial deposit for that
39 meeting shall be based upon the applicable amount handled during
40 the first 20 racing days of the meeting, and deposits thereafter shall

1 be based upon the applicable amount handled during the ensuing
2 periods of 20 racing days, with the last deposit being based upon
3 the applicable amount handled from the end of the last
4 20-racing-day period for which a deposit has been made to the end
5 of the meeting.

6 (c) After deducting a sum up to, but not to exceed, 10 percent
7 of the total deposits made pursuant to subdivision (b) and the total
8 deposits made pursuant to other provisions of this chapter,
9 including Sections 19612.1, 19612.2, 19614.2, 19616, and
10 19616.1, to compensate the official registering agency for its
11 administrative costs, the official registering agency shall distribute
12 annually the balance of the deposits in the following manner:

13 (1) Sixty percent to the breeder fund from which breeder
14 premiums are to be paid.

15 (2) Twenty-five percent to the owner fund from which owners'
16 premiums are to be paid.

17 (3) Fifteen percent to the stallion fund from which stallion
18 awards are to be paid.

19 (d) The official registering agency shall make the following
20 payments to the breeder, owner, and stallion owner to encourage
21 agriculture and the breeding of high quality horses in this state:

22 (1) The breeder shall be paid a sum based on a prorated share,
23 but not less than 10 percent, of first and second place earnings from
24 qualified races by a California-bred paint horse. If the sum paid to
25 the breeder is less than 10 percent of the purse paid for a first or
26 second place finish in a qualifying race, the owners' award and
27 stallion award pools shall respectively contribute 62.5 percent and
28 37.5 percent of the moneys necessary to the breeder premium pool
29 to raise the breeder premium to 10 percent minimum. In
30 calculating the 10 percent breeder premium, the maximum purse
31 considered earned in any qualifying race within this state is two
32 hundred thousand dollars (\$200,000) for a first place finish, and
33 eighty thousand dollars (\$80,000) for a second place finish.

34 (2) The owner shall be paid an owners' award, a sum based on
35 a prorated share of first and second place earnings from qualified
36 races by a California-bred paint horse.

37 (3) The stallion owner shall be paid a stallion award, a sum
38 based on a prorated share of first and second place earnings from
39 qualified races by a California-bred paint horse. Stallion awards

1 shall not be made to the owner of a sire that has been out of the state
2 for breeding purposes during the calendar year.

3 (4) The breeder premium and owners' and stallion awards shall
4 be paid not later than March 31 of the calendar year immediately
5 following the calendar year for which the awards or premiums
6 were earned. Any payments for awards or premiums that are
7 uncashed on December 31 of the year issued shall accrue to the
8 following year for distribution on an equal basis.

9 (e) The amount remaining for distribution under this section,
10 if any, after the payments are made under subdivision (d) shall be
11 used for the payment of paint horse breeders premiums and
12 owners' and stallion awards on a prorated percentage based on the
13 win and second place shares of the purse exclusive of all purse
14 money not derived from the parimutuel pools, to the breeders,
15 owners, and owners of sires of paint horses who have been
16 officially placed first or second in one or more qualifying races.

17 (f) If there are insufficient funds to make all of the distributions
18 in this section, there shall be no assessments made against any
19 association to fund the deficiencies.

20 SEC. 3. Section 19617.5 of the Business and Professions
21 Code is amended to read:

22 19617.5. (a) Any association conducting a quarter horse or
23 harness racing meeting shall pay the sums required to be paid by
24 Section 19567 out of the amounts deducted from the parimutuel
25 pool for license fees, commissions, and purses in the same
26 proportion as the distribution of the license fees, commissions, and
27 purses.

28 Those sums deducted for quarter horse meetings shall be
29 deposited with the official registering agency pursuant to
30 subdivision (b) of Section 19617.7 and shall thereafter be
31 distributed in accordance with subdivisions (c), (d), and (e) of
32 Section 19617.7.

33 (b) Notwithstanding subdivision (a), any association
34 conducting a fair racing meeting other than a harness meeting or
35 conducting a mixed breed meeting shall deduct an additional 0.34
36 of 1 percent of the total amount handled in its daily conventional
37 and exotic parimutuel pools for all races for payment of breeder
38 and stallion awards provided for in this chapter. Following the
39 close of the meeting, the respective official registering agency or

1 officially recognized horsemen's organization shall distribute the
2 amounts so deducted as follows:

3 (1) With respect to thoroughbred races, the amounts deducted
4 shall be paid as breeder awards, owners' premiums, and stallion
5 awards as provided in Section 19617.2.

6 (2) With respect to quarter horse races, the amounts deducted
7 shall be paid as breeder premiums, and owners' and stallion
8 awards, as provided in Section 19617.7.

9 (3) With respect to Arabian races, the amounts deducted shall
10 be paid as breeder premiums, and owners' and stallion awards as
11 provided in Section 19617.8.

12 (4) With respect to Appaloosa races, the amounts deducted
13 shall be paid as breeder premiums, and owners' and stallion
14 awards, as provided in Section 19617.9.

15 (5) *With respect to paint races, the amounts deducted shall be*
16 *paid as breeder and owners' premiums, and stallion awards, as*
17 *provided in Section 19617.3.*

